

# South Carolina Board of Economic Advisors

## Statement of Estimated State Revenue Impact

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**Date:** May 29, 2008

**Bill Number:** S.B. 1069

**Authors:** Rankin; Scott; Elliott; Hawkins, *et. al.*

**Committee Requesting Impact:** House Judiciary Committee

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### Bill Summary

A bill to amend Section 61-6-4160, of the Code of Laws of South Carolina, 1976, relating to the prohibition on Sunday sales of alcoholic liquors and statewide election day sales of alcoholic liquors, so as to delete the prohibition on the sale of alcoholic liquors on statewide election days.

### REVENUE IMPACT <sup>1/</sup>

This bill would increase sales and use tax revenue by an estimated \$6,150 in FY2008-09. Of this amount, General Fund sales and use tax revenue would increase by \$4,100, EIA funds would increase by \$1,025, and Homestead Exemption funds would increase by \$1,025 in FY2008-09.

### Explanation

This bill would amend Section 61-6-4160 to delete the prohibition on the sale of alcoholic liquors on statewide election days. Currently in South Carolina, it is unlawful to sell alcoholic liquors in retail “red dot” stores on Election Day. Pursuant to Section 61-6-1610, alcoholic liquors may be served in retail establishments if the business is primarily and substantially engaged in the preparation and serving of meals or furnishing of lodging, or possesses a Sunday local option permit, even on Election Day. This bill would affect those individuals that currently cross the state border into Georgia and North Carolina on statewide election days to purchase alcohol.

According to the Georgia Department of Revenue, Alcohol and Tobacco Division, the hours of sale of alcohol are determined by each individual county. Election Day sales are governed by local ordinances, and as long as the business is located at least 250 feet from the polling station, all counties in Georgia that border South Carolina allow alcohol to be served on Election Day, except in Franklin County (dry county). Also, according to the North Carolina Department of Revenue, Alcoholic Beverage Commission, there are no restrictions on the sale of alcohol on statewide Election Day. All businesses selling alcohol in counties in North Carolina that border South Carolina are open for business on Election Day. Based on data from the South Carolina Department of Revenue, retail “red dot” liquor stores reported \$303,753,932 in retail sales in FY2005-06. After adjusting this amount for retail sales growth and applying a six percent sales tax rate and dividing by 365 days per year yields an estimated \$61,500 in state sales and use tax revenue. We expect an estimated ten percent of individuals that would have crossed the state line to buy alcoholic liquors on Election Day made those purchases in state, and then sales and use tax revenue would increase by an estimated \$6,150 in FY2008-09.

/s/ WILLIAM C. GILLESPIE, PH.D.

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Chief Economist

**Analyst:** Martin

<sup>1/</sup> This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.